

**SPECIFICATION 25:**

**In Section A of Appendix B of the Comcast-NBCU Order, the Commission used a methodology to calculate "critical departure rates" for both permanent and temporary foreclosure of programming. Using this or a similar methodology, determine and state how the current transaction will affect critical departure rates for both permanent and temporary foreclosure separately for each of the RSNs in which the Company has an interest (or an attributable interest). Describe in detail the methodology employed and produce the underlying data used to determine the various parameters used to calculate these critical departure rates, including but not limited to the profit margin on MVPD service subscribers, per subscriber license fees, per subscriber advertising revenue, departure rates, diversion rates, and churn rates. If the methodology is not identical to that employed in Section A of Appendix B of the Comcast- NBCU Order, describe in detail the changes made to that methodology.**

**Response to Specification 25:**

TWC has not independently retained an economist to perform the requested analysis but has coordinated with Comcast to include relevant TWC information in the analysis being submitted by Comcast.

**SPECIFICATION 26:**

**In Section B of Appendix B in of the Comcast- NBCU Order, the Commission used a methodology to calculate the magnitude of vertical price rises that would be caused by the transaction. Using this or a similar methodology, calculate the vertical price increases that will be caused by this transaction separately for each of the RSNs in which the Company has an interest (or an attributable interest). Describe in detail the methodology employed and produce the underlying data used to determine the various parameters needed to calculate these price increases, including but not limited to the profit margin on MVPD service subscribers, the departure rates and diversion rates. If the methodology is not identical to that employed in Section B of Appendix B of the Comcast-NBCU Order, describe in detail the changes made to that methodology.**

**Response to Specification 26:**

TWC has not independently retained an economist to perform the requested analysis but has coordinated with Comcast to include relevant TWC information in the analysis being submitted by Comcast.

**SPECIFICATION 27:**

**Identify all sports teams, leagues, and other organizations with which the Company (or a network in which the Company has an attributable interest) has a contract granting distribution rights in the United States, and for each contract state:**

- (a) the official name of the team, league, or organization, the sport played, and its home venue;**
- (b) the term of the contract that grants the right to distribute the sports programming in the United States and whether the Company has a right of first refusal;**
- (c) the geographic area in which the Company has rights to distribute the sports programming;**
- (d) the percentage of total game events entitled to be distributed live under the contract, and the percentage of total game events which the live distribution rights are exclusive to non-broadcast programming networks or cable systems in which the Company has an interest;**
- (e) any plans to begin distributing game events in the United States; and**
- (f) whether the Company is currently distributing this sports programming on an attributable or non-attributable sports programming network.**

**Response to Specification 27:**

*See Exhibit 27.*

**SPECIFICATION 28:**

**Provide a list of and produce a copy of all contracts or informal understandings, entered into since January 1, 2009, between the Company (or a network in which the Company has an attributable interest) and any marquee sports league which convey the right to distribute the league's games or other content in the United States. Include any contract that allows for distribution as a part of any non-broadcast programming network in which the Company has an ownership, controlling or attributable interest, or as video programming on the Internet, whether distributed via MVPD or by an OVD, and all documents relating to negotiations of the contracts produced in response to this Request.**

**Response to Specification 28:**

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All non-privileged documents requested in the Commission's Request for Information will be submitted shortly following adjustments to reflect ongoing clarification discussions with Commission staff.

**SPECIFICATION 29:**

As of June 30, 2014, identify each RSN in which the Company has an ownership interest (or an attributable interest), and for each RSN identified, state:

- (a) the primary DMA in which the RSN is distributed;
- (b) the average license fee revenue per subscriber (excluding out of market subscribers);
- (c) the average gross and the average net advertising revenue per subscriber (excluding out of market subscribers) and an explanation of how these values were calculated;
- (d) the number of subscribers (excluding out of market subscribers) to the RSN, separately for each MVPD that distributes the RSN;
- (e) the number of Comcast, Charter, and SpinCo subscribers (excluding out of market subscribers) to the RSN, stated as if the proposed TWC transaction and the proposed divestitures transactions had been consummated on June 30, 2014; and
- (f) each MVPD that serves the DMA that does not distribute the RSN and the reason that the MVPD does not distribute the RSN.

**Response to Specification 29:**

See Exhibits 29-1 and 29-2.

**SPECIFICATION 30:**

**Describe in detail and produce supporting documentation that shows: (i) the structure and ownership of SportsNet LA, including the identity and percentage of ownership of each owner with an attributable interest; (ii) the Company's role in the management of SportsNet LA, including whether the Company has any board representation, management rights, voting rights, veto power or supermajority or other investor protections over business decisions; (iii) the Company's involvement in carriage negotiations on behalf of SportsNet LA with MVPDs or OVDs; and (iv) the strategic decisions of SportsNet LA in which the Company has played a role.**

**Response to Specification 30:**

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**SPECIFICATION 31:**

**For each channel of video programming that the Company obtained from another person, separately for each month from January 1, 2009 to the present, state:**

- (a) the name and genre of each channel of video programming the Company obtained;**
- (b) the number of the Company's subscribers whose MVPD programming packages include each such channel;**
- (c) the total and per subscriber fee paid by the Company for each such channel; and**
- (d) the name and genre of each channel of video programming produced by each such person that the Company chose not to obtain and the reason(s) why the Company chose not to carry the channel.**

**Response to Specification 31(a)**

*See Exhibit 31-1.* TWC notes that there is no industry standard for genre classifications and the classifications provided herein are not used by TWC in the ordinary course of business and are subjective. In addition, many networks' programming slates are difficult to categorize and/or could be viewed as fitting into two or more different genre categories (*e.g.*, Gol TV could be viewed as a Hispanic or a sports channel).

**Response to Specification 31(b) and (c)**

*See Exhibit 5-4.* TWC notes that the following services in which TWC has an ownership interest should be filtered out of those reports for purposes of this response: (i) MLB Network; (ii) SportsNet New York ("SNY"); (iii) Too Much for TV; (iv) Vutopia; (v) Howard Stern On Demand; (vi) NHL Center Ice; (vii) NBA League Pass; (viii) MLB Extra Innings; and (ix) Music Choice.

**Response to Specification 31(d):**

*See Exhibit 31-2.*



**SPECIFICATION 32:**

Describe how the Company determines whether to carry a particular non- broadcast programming network on its own systems and in what geographic areas that network will be carried, including the extent to which carriage decisions are made at the corporate level or by an individual system manager (include the identity of specific decision makers), and factors considered by the Company in making its carriage decisions. Explain and provide examples of how the Company evaluates potential replacements for any non-broadcast programming network, including, but not limited to: (i) the geographic areas in which it will offer the replacement non-broadcast programming network; (ii) the metrics used; (iii) how the Company evaluates potential subscriber losses for not carrying a specific non-broadcast network in a market; and (iv) the factors considered when negotiating the terms and conditions of carriage

**Response to Specification 32:**

TWC seeks to give its video customers access to a diverse and compelling mix of programming while ensuring appropriate value in making programming acquisition decisions. TWC's programming department (based at TWC's New York City headquarters) makes programming carriage decisions on behalf of all of TWC's cable systems. The head programming executive is Melinda Witmer, and her principal deputies are Andrew Rosenberg and Jennifer Chun. In deciding whether to acquire or replace particular programming from a cable programming vendor, whether on a national or regional basis, TWC's programming personnel rely on several factors, as described below. Importantly, however, in exercising its editorial discretion over the programming it provides to subscribers, TWC cannot reduce to a formula its constitutionally protected, content-based judgments about what programming will appeal to its customers and what pricing proposals will deliver adequate value to consumers. For example, of the illustrative factors listed below, some are likely to be given more weight than others in particular cases, and the weighting will vary heavily depending on the context. Subject to those caveats, illustrative factors that bear on TWC's programming acquisition decisions include the following:

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**SPECIFICATION 33:**

**List and describe all requests for program carriage since January 1, 2011, specifying which program carriage requests were approved and which were denied, and for each request state:**

- (a) the date of the request and the reasons why each non-broadcast programming network request was approved or denied;**
- (b) the genre of each non-broadcast programming network (i.e., children's, news, Spanish language, etc.);**
- (c) the tier and channel placement for networks granted carriage;**
- (d) whether the inclusion of the non-broadcast programming network resulted in any adjustment or modification to the price for the tier on which such programming is carried based on said carriage; and**
- (e) whether any carriage agreement into which the Company has entered during the last three years has resulted in a change in tier placement for the subject network in any geographic area covered by the agreement.**

**Response to Specification 33(a):**

*See Exhibit 33-1.*

**Response to Specification 33(b):**

*See Exhibit 33-1.*

**Response to Specification 33(c):**

*See Exhibit 33-1.*

**Response to Specification 33(d):**

Substantial increases in the cost of programming since 2011 have led to periodic increases in the price of the relevant service tiers (though not all programming costs have been passed through to subscribers). The increased cost for any given network, or the addition of a network to a tier, generally did not result in an immediate, corresponding increase in the price of the relevant tier.

**Response to Specification 33(e):**

*See Exhibit 33-2.*

**SPECIFICATION 34:**

**Provide a list of and produce a copy of all agreements between the Company and any other person for distribution of any video programming carried by the Company's (i) MVPD service and (ii) OVD service, and in each case produce all documents relating to each negotiation since January 1, 2009, between the Company and any other person regardless of whether the negotiations resulted in an agreement or informal arrangement.**

**Response to Specification 34:**

*See Exhibits 34-1 (pay television networks) and 34-2 (broadcast stations).*



**SPECIFICATION 35:**

Identify each agreement the Company has entered with another person through which the Company acquires video programming from another person that contains any of the following provisions: (i) any economic or non-economic Most-Favored-Nation clause; (ii) any exclusive rights to distribute the programming; (iii) any limits on the further distribution of the programming that is the subject of the agreement either temporally, such as through the use of "windows," or by another person or class of similar persons; (iv) any limits on the further distribution of the programming on another platform; and (v) any rights to obtain, or limits on distribution of, additional programming whether or not such programming was in existence at the time the agreement was entered; (vi) any provision relating to the authentication of users, including any limits on video programming distributors that impact their ability to authenticate the identity of a user for the purpose of delivering additional data to advertisers, and any provision that concerns the extent to which access to the set-top box impacts the ability of any person to authenticate users, for example through the operations of apps; and (vii) any other provision that impacts the way that the programming is distributed or made available to other distributors or providers differential treatment of a service provided by the Company or any affiliate, and for each such agreement state:

- (a) the parties to the agreement;
- (b) the date of the agreement;
- (c) the term of the agreement;
- (d) a description of the provision;
- (e) the date that any party to the agreement exercised any rights or received any benefits from any of the provisions set forth in parts (i) through (vi) of this Request; and
- (f) a description of any actions taken or benefits received as a result of any of the provisions set forth in parts (i) through (vii) of this Request.

**Response to Specification 35:**

As TWC discussed with Commission staff, TWC is providing in Exhibit 35 a list of its programming agreements and is deferring any further response pending further direction from the Commission.



**SPECIFICATION 36:**

For each instance that the Company, in negotiations with another person that did not result in an agreement for the Company to either acquire broadcast or non-broadcast video programming from another person, or license another person to distribute the Company's broadcast or non-broadcast video programming, such negotiations proposed any of the following provisions: (i) any economic or non-economic Most-Favored-Nation clause; (ii) any exclusive rights to distribute the programming; (iii) any limits on the further distribution of the programming that is the subject of the agreement either temporally, such as through "windows," or by another person or class of similar persons; (iv) any limits on the further distribution of the programming on another platform; and (v) any rights to obtain, or limits on distribution of, additional programming whether or not such programming was in existence at the time the agreement was entered; (vi) any provision relating to the authentication of users, including any limits on video programming distributors that impact their ability to authenticate the identity of a user for the purpose of delivering additional data to advertisers, and any provision that concerns the extent to which access to the set-top box impacts the ability of any person to authenticate users, for example through the operations of apps; and (vii) any other provision that impacts the way that the programming is distributed or made available to other distributors or providers differential treatment of a service provided by the Company or any affiliate, and for each such agreement state:

- (a) the person to whom the term was proposed;
- (b) the broadcast or non-broadcast video programming that would have been the subject of the provision;
- (c) the date the proposal was made; and
- (d) the reasons why an agreement was not reached.

**Response to Specification 36:**

TWC has provided the complete agreements to the Department of Justice, where they are available for the Commission to review (*see*, response to specification 34). The agreements are too numerous and complex to provide this analysis.

**SPECIFICATION 37:**

**Produce all documents relating to any analysis of the impact on subscribership resulting from the 2013 CBS/TWC carriage negotiations and dispute.**

**Response to Specification 37:**

All non-privileged documents requested in the Commission's Request for Information will be submitted shortly following adjustments to reflect ongoing clarification discussions with Commission staff.

**SPECIFICATION 38:**

Describe each instance since January 1, 2009 when the Company obtained a lower per-subscriber fee than the rate the Company was previously paying for any video programming (including through the acquisition or sale of or affiliation with any MVPD or video programming channel), and for each such instance: (i) state the date, circumstances and the reduction received; (ii) whether the Company passed through the programming cost saving to its residential subscribers in the form of lower monthly subscription fees, moving the relevant channel to a less costly service tier, or in any other way; and (vi) produce all documents discussing any savings, including how the savings were allocated or passed through to subscribers. Produce all documents that would allow a comparison between the per subscriber fee the Company pays for video programming and the per subscriber fee paid by other persons for the same video programming.

**Response to Specification 38:**

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**SPECIFICATION 39:**

**Produce all documents relating to:**

**(a) the Company's current and continued support for currently deployed operator-supplied CableCARD devices, currently deployed retail CableCARD devices, and future CableCARD devices;**

**(b) the Company's plans to deploy system technology or otherwise offer any relevant service that will be incompatible with the current CableCARD standard, including documents discussing the nature of the new technologies and the timeframes for their deployment;**

**(c) the development and deployment of streaming solutions that provide the Company's broadcast or non-broadcast video programming to consumer devices with or without using in-home hardware to transcode the video programming;**

**(d) the extent to which new system technologies used in providing any of the Company's relevant services would enhance or limit a subscriber's ability to use a consumer-owned navigation device to record video programming; and**

**(e) consumer-owned navigation devices, including, but not limited to, compliance with Section 629 of the Communications Act through technologies other than CableCARD, including downloadable security, and agreements to develop and support these technologies, and the retail and wholesale pricing of CableCARDS, including licensing fees. (47 U.S.C. § 549).**

**Response to Specification 39:**

All non-privileged documents requested in the Commission's Request for Information will be submitted shortly following adjustments to reflect ongoing clarification discussions with Commission staff.



**SPECIFICATION 40:**

**Describe the Company's current participation in, support for, and future plans relating to:**

**(a) CableLabs, and its role in the development of products and technologies deployed by or planned to be deployed by the Company in providing any relevant service, particularly relating to the Comcast X1/X2 platform and other cloud services; and**

**(b) The Society of Cable Telecommunications Engineers, and its role in the development of products and technologies deployed by or planned to be deployed by the Company in providing any relevant service, particularly relating to the Comcast X1/X2 platform and other cloud services.**

**Response to Specification 40(a):**

As described on its website, CableLabs "is a non-profit research and development consortium that is dedicated to creating innovative ideas that significantly impact [its] cable operator members' business. CableLabs also serves to define interoperable solutions among its members and their technology suppliers in order to drive scale, reduce costs, and create competition in the supply chain." Thus, Time Warner Cable ("TWC") primarily interacts with CableLabs on efforts to develop common hardware and software specifications that enable cable operators to develop differentiated consumer-facing offerings – not on the actual development of those products and technologies.

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**Response to Specification 40(b):**

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**SPECIFICATION 41:**

**Describe, and produce all documents relating to, each instance the Company has attempted to partner with another MVPD to achieve joint objectives, including but not limited to attempts to launch a coordinated TV Everywhere service. In the description, state the results of each instance and the reasons for its success or failure.**

**Response to Specification 41:**

All non-privileged documents requested in the Commission's Request for Information will be submitted shortly following adjustments to reflect ongoing clarification discussions with Commission staff.

Since January 1, 2009, TWC has attempted to partner with another MVPD to achieve joint objectives in the following instances:

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- *Canoe.* Canoe Ventures was a joint venture launched by the six largest cable operators in 2008 to offer advanced advertising services (primarily interactive advertising, but also addressability, and VOD insertion). Canoe encountered numerous challenges due in part to varying degrees of digital capabilities and other technology differences across the cable companies. The joint venture launched an Interactive TV product in 2010 that allowed viewers to request more information, coupons or product samples. However, acceptance of the service was limited and the joint venture ceased the interactive operations in 2012.
- *National Enterprise Customers.* TWC and Comcast have discussed partnering to serve large and/or national business that require services outside of each carrier's service area. The details of these discussions and the resulting arrangements between TWC and Comcast to serve business customers are provided in response to Specification 64 below.

**SPECIFICATION 42:**

**With respect to the deployment of TV Everywhere provide:**

- (a) a complete list of devices for which the Company provides TV Everywhere authentication and a complete list of applications for which the Company provides TV Everywhere authentication, that also includes identification of each device through which access for each application has been approved;**
- (b) a list of and description of each application and device for which the Company is currently negotiating TV Everywhere authentication services;**
- (c) a list of and description of each application and device for which the Company has declined to provide TV Everywhere authentication services; and**
- (d) a description of all the criteria used by the Company to determine whether to enter into an agreement to provide TV Everywhere authentication service to an application.**

**Response to Specification 42:**

- a. TWC provides TV Everywhere authentication to the following applications and devices, to access the programming identified below:

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